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FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC PRIORITY 3774
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBY/AMEMBASSY CANBERRA 9401
RHEHNSC/NSC WASHDC
RHHMUNA/USCINCPAC HONOLULU HI
RUEHGV/USMISSION GENEVA 7344
RUEKJCS/DOD WASHDC
RUEHC/DEPT OF LABOR WASHDC

S E C R E T SECTION 01 OF 03 JAKARTA 005704

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DEPT FOR EAP/MTS AND DRL/IL
DEPT OF LABOR FOR ILAB

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TAGS: [PGOV](#) [PHUM](#) [ELAB](#) [ID](#)

SUBJECT: GOI, UNIONS ASSIGN BLAME FOR MAY 3 VIOLENCE

REF: A. JAKARTA 5580 - UNIONS BESEIGE DPR MAY 3

- [1](#)B. JAKARTA 5486 - MAY DAY PROTESTS AGAINST REFORMS
- [1](#)C. JAKARTA 4465 - GROWING WORKER PROTESTS
- [1](#)D. JAKARTA 3563 - INVESTMENT CLIMATE PACKAGE
- [1](#)E. JAKARTA 1645 - AMBASSADOR DISCUSSES LABOR REFORM

Classified By: POLITICAL OFFICER MARK D. CLARK, REASON 1.4 (B AND D).

SUMMARY

[1](#)1. (S) Jakarta is awash in speculation as to the possibility or extent of political manipulation behind the massive May 3 labor demonstrations that turned violent at the Parliament's gates (ref A). In the course of expressing his concern over the violence, President Yudhoyono publicly called on those who did not accept the 2004 election results to remain within democratic bounds; according to a presidential advisor, the Megawati-led opposition Indonesian Democratic Party-Struggle (PDI-P) was the hidden hand behind the protests. In the face of police questioning, union leaders from the labor confederation (SPSI) that organized the May 3 protest blamed the chaos on "infiltrators." Privately, our senior labor contacts do not rule out outside funding and some instigation of SPSI's rally, but they maintain that May 3 remained primarily a workers' affair; outside influence was marginal. Regardless of whether and to what extent political actors stoked the fires of the labor protests, the GOI's tactical mistakes in pursuing the labor law amendment have provided Yudhoyono's opponents with an opportunity to make mischief, if they choose. End Summary.

YUDHOYONO FINGERS LOSERS OF 2004

[1](#)2. (SBU) Almost immediately after the police forcibly dispersed labor protestors who had assaulted the Parliament's (DPR's) gates on May 3, speculation took hold of the capital regarding possible political motivations and conspiracies behind the violent demonstration. On the evening of May 3, President Yudhoyono, still in Jordan, made a televised statement in which he expressed concern and disappointment over the day's violence. Looking glum and quite serious, he continued by noting there were individual or groups that had not accepted the 2004 election results; nevertheless, he called on these parties to remain within the established democratic process. The statement represented his clearest public reference yet to unconstitutional plotting against his administration.

13. (S) Presidential advisor Dino Djalal, in a broader conversation with the Ambassador May 5, alleged that former President Megawati's Indonesian Democratic Party-Struggle (PDI-P) had orchestrated the labor protests. Dino, who had just returned with Yudhoyono from the Middle East May 4, noted the protests' significant negative impact on Indonesia.

14. (C) Several other contacts in the political class have specified with confidence (but not evidence) that Megawati's husband, Taufik Kiemas, and retired General Wiranto had orchestrated or at least enhanced the protests. One claimed that Yudhoyono's opponents were encouraged by the success of rallies in Bangkok in leading to PM Thaksin Shinawatra's announced intention not to seek reelection as Prime Minister.

OPPONENTS INDIGNANT

15. (SBU) In response to Yudhoyono's remarks, opposition figures reacted quickly with public indignation. Per press accounts, Amien Rais called Yudhoyono's insinuation a fantasy. DPR Deputy Chair Soetardjo Soerjogoeritno, from Megawati's PDI-P, termed the President's comments speculative and careless. (Comment: Soetardjo was one of the senior DPR leaders to receive the labor leaders on May 3 and to concede in writing to their demands. End Comment.) PDI-P member Permadi said the labor protests resulted from the Yudhoyono administration's failure to uphold its campaign promises, not from manipulation by those who lost the national election. Megawati's vice presidential running mate and current

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Nahdlatul Ulama leader Hasyim Muzadi along with former President and would-be 2004 presidential candidate Abdurrahman Wahid joined in criticizing Yudhoyono's remarks.

SPSI DENIES POLITICAL AGENDA, BLAMES OUTSIDERS

16. (SBU) Police called in and questioned senior leaders of the All-Indonesia Trade Union Confederation (SPSI), which organized the May 3 protest, about the violence and property destruction. SPSI Secretary General Sjukur Sarto, in various pronouncements May 3-5, denied SPSI has acted out of an anti-government political agenda, beyond opposition to amendment of the Manpower Act, or received external political funding for the demonstration. He also denied that SPSI was to blame for the violence. Instead he claimed, in separate statements, that a "national figure" had been amongst the protestors (implying the figure's involvement) and that 20 to 30 infiltrators had instigated the chaos. Information quickly emerged that identified two "national figures" among the May 3 crowd: former People's Democratic Party (PRD) leader Budiman Sudjatmiko, now a member of the opposition Indonesian Democratic Party-Struggle (PDI-P); and political gadfly Sri Bintang Pamungkas. Budiman admitted to the press that he had been in the vicinity, but was only attempting to pass through the crowds. (Comment: PRD was a favorite scapegoat for political violence during the final years of Suharto's New Order. End Comment.)

17. (C) We spoke on May 5 with SPSI Deputy Secretary General M. David, who helped lead the protest two days before. David insisted that SPSI had acted on its own, and funded the demonstration using internal resources and small contributions from individual workers. Nevertheless, outsiders were present during the rally, including Budiman and Sir Bintang. David said that a small aggressive group, as yet unidentified, led the charges against the gate and seemed to instigate much of the confrontation at the DPR. SPSI itself, however, did not intend or provoke violence.

SPSI had released a press statement to this effect and specifically rejected the allegation of collusion with any political party. David voiced suspicions that Vice President Jusuf Kalla might be intentionally stirring trouble through statements viewed as inflammatory by the trade unions (see below).

RIVAL LABOR LEADERS DOWNPLAY POLITICAL MANIPULATION

18. (C) Indonesian Prosperity Trade Union (SBSI) Chairman Rekson Silaban and SBSI founder Muchtar Pakpahan, in separate May 5 conversations with us, downplayed the role of outside political influence behind the May 3 protest. Rekson, who has not hesitated to criticize rival SPSI in the past, believed it highly likely that PDI-P elements and possibly retired generals led by former Armed Forces Chief Wiranto had contributed funding and possibly organized some protestors to join the May 3 rally. (Rekson on May 3 had expressed certainty that SPSI received outside funding for the cost of buses to transport the protestors.) However, this was done without any clear understanding or agreement from SPSI, and the impact on the protests was marginal. (Comment: As Indonesia's largest labor confederation, SPSI contains various factions and its leaders have ties to a number of political parties. End Comment.) PDI-P may have worked through Budiman, while a former Army Chief of Staff from the end of the Suharto era (based on the description, one possibility would be retired General Subagyo Hadi Siswoyo) was the likely facilitator of any Wiranto actions with labor. Rekson added that the third major confederation, the Indonesian Trade Union Congress (KSPI) had links to Amien Rais' National Mandate Party (PAN) and the Islamist Prosperous Justice Party (PKS). KSPI-affiliates marched on the DPR May 1.

19. (C) Muchtar Pakpahan told us that blame for the violence at the DPR gates rested with VP Kalla. After the May 1 protests "convinced" DPR's Commission IX to pledge to reject the labor amendments, Kalla stated publicly that this did not represent a formal DPR position and the Yudhoyono Administration would continue to examine changes to the Manpower Act. This raised emotions among workers, and set an

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angry tone to the May 3 demonstrations, the aim of which was then to obtain a more formal declaration from the DPR as a whole. Claiming to be aware of the internal organization and planning of SPSI's massive rally, and noting the practice of workers contributing small amounts of money to cover transportation costs, Muchtar dismissed rumors that opposition political forces had helped finance the May 3 demonstrations. Nevertheless, Muchtar believed it very possible that politicians would attempt to take advantage of the protests.

UNIONS CONSIDER NEXT STEPS

110. (C) Still undergoing police investigation, SPSI leaders called off a planned May 5 demonstration. According to Rekson, the major union confederations intended to meet jointly May 6 to map out a strategy for the near term. On May 8, Muchtar Pakpahan would gather labor leaders and parliament members for a dialogue in Jakarta. Most major political parties would be represented, though Golkar was not invited due to its ambivalent position, Rekson noted. Rather than revising the labor law, the unions intended to lobby for other measures that would improve the investment climate, such as regulatory changes, streamlining bureaucracy and fighting corruption.

COMMENT

111. (S) For most of our interlocutors, the question is not

whether, but to what extent Yudhoyono's opponents supported the labor protests. Backdoor financing of street protests to support unstated political objectives is a tried and true practice in Indonesia, and many politicians are skilled in the art. Wiranto, for example, has a history of such manipulation. We also recognize that it would be to Yudhoyono's advantage to suggest opposition parties' instigation of the demonstrations, thereby linking his opponents to violence and putting his labor critics on the defensive. In addition, union leaders stand to gain by blaming the May 3 chaos on outside provocateurs. We note that unions' anger at the proposed amendments is genuine; the issue is an emotive one with the rank-in-file; and a political conspiracy is not necessary in order for a massive and emotionally charged protest to turn violent. Regardless of the extent to which political actors stoked the fires of the labor protests, the GOI's tactical mistakes in pursuing the labor law amendments have provided Yudhoyono's opponents with an opportunity to make mischief, if they choose.

PASCOE